

STATEMENT OF CONGRESSMAN DANNY K. DAVIS
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SUBCOMMITTEE ON THE FEDERAL WORKFORCE AND AGENCY ORANIZATION
COMMITTEE ON GOVERNMENT REFORM
HEARING ON

“Mitigating the Impact of High Gas Prices on the American Workforce”

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Gasoline prices are a function of supply and demand. As the demand for petroleum products has risen in the United States and worldwide in recent years, so have gasoline prices in the United States. They have been trending upward since early 2002. Oil company profits also have risen dramatically during that period. This year, the six biggest oil companies are

on track to triple their profits from 2002, for an expected total approaching \$100 billion in profits.

Multiple factors affect gasoline prices. Rising demand for all petroleum products, including gasoline, is a key factor. Crude oil prices, which are linked to the worldwide demand for petroleum products, are another factor. The war and continued violence in Iraq has added uncertainty and a threat of supply disruption that has added

pressure particularly to the crude oil commodity futures markets.

Skyrocketing oil industry profits have led many to question whether market manipulation or simple price gouging has also driven up price increases to the industry's benefit.

Most recently, Hurricane Katrina hit the Gulf Coast, doing tremendous damage to homes, businesses, and physical infrastructure, including roads, electricity transmission lines, and oil producing, refining, and

pipeline facilities. Retail gasoline prices increased 45 cents per gallon between August 29th and September 5th. The average price for a gallon of regular gasoline on September 5th was \$3.07, the highest nominal price ever. Since then, prices have moderated some.

Members of Congress from the Washington Metropolitan area, including hearing witnesses Reps. Frank Wolf and Jim Moran, have been encouraging federal agencies to

implement telecommuting policies to help address traffic congestion and pollution in the Washington area.

Telecommuting also would help alleviate the cost of high gas prices for commuters.

Historically, the primary benefits of telecommuting were reduced traffic congestion and pollution, improved recruitment and retention of employees, reduced need for office space, increased productivity, and improved quality-of-life and morale of

federal employees. These continue to be compelling and valid reasons for implementing agencywide telework programs. Rep. Frank Wolf is to be commended for moving legislation that pushes agencies to increase the number of federal employees who telecommute.

However, with the Oklahoma City bombing and 9-11, we've realized another very compelling reason to push federal agencies, and ourselves, to develop and to implement the

infrastructure and work processes necessary to support telecommuting. It is emergency preparedness and the continued threat of terrorism. The question we must ask ourselves is this: In the event of an emergency, are we – this Committee, our staffs, and all the federal agencies – prepared to serve the American people if our primary places of work are no longer available to us?

Continuity of operations planning, otherwise known as COOP, is not the

subject of today's hearing; however, I invite my colleagues and those of you who support telecommuting and continuity of operations planning to support a revised version of H.R. 4747, which I introduced during the last Congress. The bill would require the Chief Human Capital Officer Council to conduct and to evaluate a 10-day demonstration project that broadly uses employees' contributions to an agency's operations from alternate work locations, including home. The

outcome of the demonstration project would provide agencies and Congress with approaches for gaining flexibility and identifying work processes that should be implemented during an extended emergency.

The number and types of potential emergency interruptions are unknown, and we must be prepared, in advance of an incident, with the work processes and infrastructure needed to reestablish agency operations. Reps. Waxman, Porter, Cummings, and Norton, among

others, have already agreed to cosponsor the bill, and I thank them for their support.

I look forward to the testimony of the witnesses for today's hearing.